

**DEPARTMENT OF INSURANCE, FINANCIAL
INSTITUTIONS AND PROFESSIONAL REGISTRATION**

P.O. Box 690, Jefferson City, Mo. 65102-0690

INSURANCE BULLETIN 12-01

Implementation of HB 1150

Issued Aug. 29, 2012

To: All insurance companies in Missouri writing automobile insurance coverage
From: John M. Huff, Director
Re: Implementation of HB 1150 – Obtaining Salvage Titles and Junking Certificates

The Missouri Department of Insurance, Financial Institutions and Professional Registration has received information from the Missouri Department of Revenue regarding implementation of House Bill 1150, titled “Salvage Motor Vehicles, Scrap Metal Operators, and Statutory Liens.”

[House Bill 1150](#), in part, would allow an insurance company unable to obtain a title on a damaged vehicle from a claimant to apply for a salvage title or junking certificate.

For the insurance industry, the Department of Revenue has prepared a brief overview of the application process, which includes links to pertinent forms available on the Department of Revenue’s website. That overview is included on the following page.

Questions about the application process should be directed to Steve Ahlers of the Motor Vehicle Bureau, Missouri Department of Revenue, at 573-751-8749. Additional assistance is available from DIFP’s Division of Market Regulation at 573-751-2430.

Missouri Department of Revenue

2012 Legislation – House Bill 1150

Important Information for Insurance Companies

Insurance Company Applying for a Salvage Title or Junking Certificate When Unable to Obtain Title From Owner (301.193 RSMo):

Beginning August 28, 2012 an insurer that makes a total loss payment can obtain a salvage title or junking certificate when the vehicle owner is unable to provide the title.

An insurance company may obtain a salvage title or junking certificate through this process under the following circumstances:

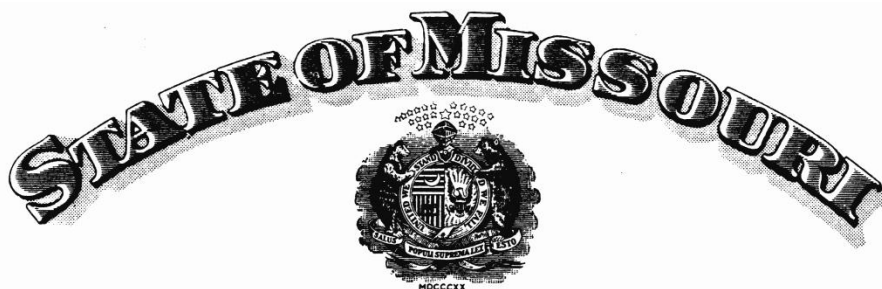
- The vehicle is currently titled in Missouri;
- The insurer makes two written attempts to notify the owner of the intent to obtain the salvage title or junking certificate;
- The insurer notifies a lienholder of record (if applicable) of the intent to obtain the salvage title or junking certificate or obtains a notarized lien release;
- The insurer completes an *Insurance Company Application for Salvage Title or Junking Certificate* (Form-5421) accompanied with the following:
 - Copy of proof of claim payment;
 - Copies of the two notices sent to the vehicle owner and evidence that such notices were delivered to the owner;
 - Evidence of delivery is defined as the tracking documentation from an established national postal or parcel delivery service (including but not limited to the US Post Office, Federal Express, United Parcel Service, etc.).
 - Copy of the written notice to the lienholder or a notarized lien release if a lienholder exists (proof of deliver is not required on the notice to the lienholder); and
 - \$11.00 fee for a salvage title (payable to the Department of Revenue; includes \$8.50 title fee and \$2.50 processing fee); or
 - \$2.50 processing fee for a junking certificate (payable to the Department of Revenue).
- The *Insurance Company Application for Salvage Title or Junking Certificate* (Form-5421) can be found at: <http://dor.mo.gov/forms/5421.pdf>

The *Insurance Company Application for Salvage Title or Junking Certificate* (Form-5421) will be processed in the central office only. Documents and fees should be mailed to:

Motor Vehicle Bureau
Complex Unit
P.O. Box 2076
Jefferson City, MO 65105-2076

A salvage title or junking certificate will not be issued until 30 days after receipt of the completed application and all required documentation pursuant to 301.193, RSMo.

For detailed information regarding this legislation, see House Bill 1150, Section 301.193, RSMo, at: <http://www.house.mo.gov/billtracking/bills121/biltxt/truly/HB1150T.htm>



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P.O. Box 690, Jefferson City, Mo. 65102-0690

INSURANCE BULLETIN 12-02

Implementation of Senate Bill 749

Issued Sept. 14, 2012

To: All insurers authorized to conduct health insurance business in Missouri.
All insurers delivering policies covering Missouri residents.
All third-party administrators licensed to administer health insurance business
for insurers and self-insured plans covering Missouri residents.

Rescinded and Inoperative

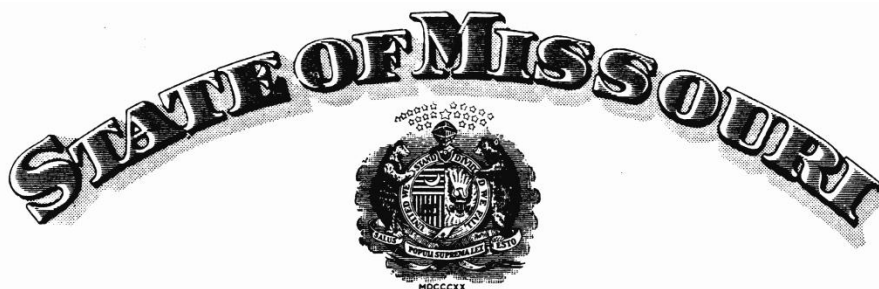
From: John M. Huff, Director

Re: Implementation of SB 749

On Sept. 12, 2012, the Missouri General Assembly voted to override Governor Nixon's veto of [CCS HCS SS SB 749](#). The bill includes an emergency clause, making the provisions of Section 191.724, RSMo, effective upon passage and approval. The provisions of Section 376.1199, RSMo, become effective on Oct. 12, 2012.

This bulletin is for informational purposes only. Every health insurance carrier operating in this state, every health insurance carrier insuring Missouri residents, and every self-insured plan covering Missouri residents is strongly encouraged to review [this law](#) in its entirety to ensure compliance.

The Department will continue to update the market on further implementation requirements.



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P.O. Box 690, Jefferson City, Mo. 65102-0690

INSURANCE BULLETIN 12-03

Implementation of Senate Bill 749

Issued October 12, 2012

To: All insurers authorized to conduct health insurance business in Missouri.
All insurers delivering policies covering Missouri residents.
All producers and all other interested parties.

From: John M. Huff, Director

Re: Implementation of SB 749

Rescinded and Inoperative

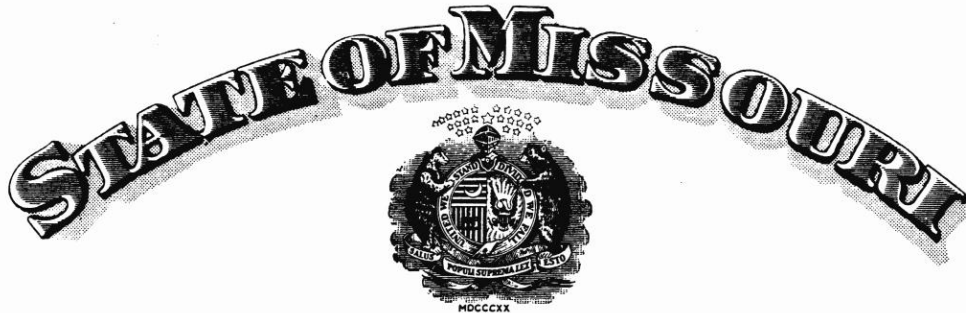
On Sept. 12, 2012, the Missouri General Assembly voted to override Governor Nixon's veto of [CCS HCS SS SB 749](#). The bill includes an emergency clause that made the provisions of Section 191.724, RSMo, effective upon passage and approval. The provisions of Section 376.1199, RSMo, became effective today.

Missouri law requires that health insurance policies, contracts, and forms be filed with the Department. These materials can only be approved by the Department if they comply with the statutory requirements contained in SB 749. Note that the bill requires, with one narrow exception, that "each carrier or health benefit plan that offers or issues health benefit plans providing obstetrical/gynecological benefits and pharmaceutical coverage, which are delivered, issued for delivery, continued or renewed in this state on or after January 1, 2002," (1) to "offer and issue to any person or entity purchasing a health benefit plan, a health benefit plan that excludes coverage for contraceptives if the use or provision of such contraceptives is contrary to the moral, ethical or religious beliefs or tenets of such person or entity;" and (2) shall "upon request of an enrollee who is a member of a group health benefit plan and who states that the use or provision of contraceptives is contrary to his or her moral, ethical or religious beliefs, any health carrier shall issue to or on behalf of such enrollee a policy form that excludes coverage for contraceptives."

Further note that any health benefit plan issued pursuant to 376.1199.1 “shall provide *clear and conspicuous written notice* on the enrollment form or any accompanying materials to the enrollment form and the group health benefit plan application and contract: (1) whether coverage for contraceptives is or is not included; (2) that an enrollee who is a member of a group health benefit plan with coverage for contraceptives has the right to exclude coverage for contraceptives if such coverage is contrary to his or her moral, ethical or religious beliefs; (3) that an enrollee who is a member of a group health benefit plan without coverage for contraceptives has the right to purchase coverage for contraceptives; (4) whether an optional rider for elective abortions has been purchased by the group contract holder pursuant to section 376.805; and (5) that an enrollee who is a member of a group health plan with coverage for elective abortions has the right to exclude and not pay for coverage for elective abortions if such coverage is contrary to his or her moral, ethical, or religious beliefs.”

As has long been the case, the Department may only approve those filings that are in compliance with the insurance laws of this state and which contain such words, phraseology, conditions and provisions which are specific, certain and unambiguous and are reasonably adequate to protect consumers.

Rescinded and Inoperative



**DEPARTMENT OF INSURANCE, FINANCIAL
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INSURANCE BULLETIN 12-04

Joplin Debris Removal

Issued November 29, 2012

To: All insurers insuring property in Joplin, Mo.

From: John M. Huff, Director

Re: Joplin Debris Removal

Rescinded and Inoperative

This bulletin contains information of interest to insurance companies insuring real property (residential) in the City of Joplin, Mo., damaged by the May 22, 2011, tornado.

Background

As a part of the recovery efforts following the May 22 tornado, the Federal Emergency Management Agency (FEMA) instituted an Expedited Debris Removal (EDR) program in the City of Joplin to remove storm debris from residential property. Only properties located in the “extensive” and “catastrophic” damage areas were eligible for debris removal. Property owners were required to give authorization for the debris removal on their property, through the execution of a Right of Entry (ROE) form.

The federal government, through Direct Federal Assistance (DFA) programs authorized under the Stafford Act, funded 90 percent of the debris removal operations. Under federal law, services provided through such federally funded public assistance programs are prohibited from duplicating assistance that is provided under private insurance coverage or other public assistance programs (i.e., coverage cannot be paid out by both the EDR and private insurance). As a grantee, the City of Joplin is required to take reasonable steps to prevent duplication of benefits and to verify that private insurance coverage does not exist for debris removal benefits provided under the EDR program.

Current Status

The debris removal operations have concluded. Not all insured properties damaged by the May 22 tornado were eligible for or received debris removal services through the EDR program. And, not all property owners disclosed they had private insurance coverage to pay for debris removal costs. To date, Joplin residents have neither been invoiced for nor paid any funds toward the debris removal services they received under the EDR program as a result of the May 22 tornado.

Because of its obligations as a grantee of FEMA, the City of Joplin must institute a process to ensure no duplication of benefits has occurred. In cases where property owners have private insurance coverage available, the City will invoice property owners and collect fees to offset federal funds, which have been expended on their behalf for debris removal services. If there is no private insurance coverage available, or if insurance coverage has been exhausted, **the property owner owes nothing** for debris removal services they received under the EDR program.

In order to make the above determination, the City needs documentation from insurance companies regarding the amount of private insurance coverage available to their insureds for debris removal services, if any. Again, this would only be for properties that received debris removal services under the EDR program **and** where there is insurance coverage.

City officials ~~contacted the Department of Insurance, Financial Institutions and Professional Regulation (the Department) in an effort to engage the insurance industry in developing a streamlined process for the identification of and collection of insurance proceeds for debris removal. The process outlined below is the result of the discussions between Department staff, City officials and insurance companies.~~

The City has notified the Department that it will start sending out communication to property owners and insurance companies on or around Dec. 3, 2012. Insurers are encouraged to review the process outline and to provide City officials with the information they need as expeditiously as possible.

Insurers may wish to [review an informational news release](#) the City released on Nov. 28, 2012.

Persons with questions or needing additional information are encouraged to [email Angela Nelson](#), Director of the Division of Market Regulation, or call her at 573-751-2430.

Process Outline

1. The City will send a letter to each property owner who had private insurance ([see example, Exhibit 1](#)), explaining the debris removal process and the City's obligation to ensure no duplication of benefits occurred. The letter will detail the actual, "per lot" charge for debris removal on each property, which will be owed if private insurance coverage is available.

- a. The City will include an authorization form to be executed by the property owner authorizing the insurer to release information to the City regarding available insurance coverage for debris removal services ([see example, Exhibit 2](#)).
 - b. The letter will also include detailed instructions to the property owner on the procedure for executing and returning the authorization to the City.
 - c. Finally, the letter will include a warning that a failure to respond to the City's request will result in a direct invoice to the property owner.
 - d. A courtesy copy of the letter will be sent simultaneously to the insurer of record for the property.
 2. When the City receives the executed authorization from the property owner, the City will forward a request for information, along with the executed authorization, to the insurer.
 3. Accordingly, insurers will receive two communications: (1) a courtesy copy of the original correspondence sent to the property owner; and (2) a second communication to the insurer requesting information on debris removal coverage. This second communication will include an authorization for the insurer to release information to the City regarding their insured's coverage for debris removal. Upon receipt of either communication, the City requests insurers take the following steps:
 - a. Communicate with its insured regarding the availability of insurance coverage for debris removal under the insured's policy by providing to their insured(s):
 - A written explanation of the amount of coverage available under the policy for debris removal; **or**
 - A written explanation to the property owner that there is no coverage available for debris removal or if all available coverage has been exhausted.
 - b. Provide the City with information about the amount of private insurance coverage for debris removal under their insured's policy, if any. This information can be transmitted informally. For instance, insurers can provide the City with a copy of the communication(s) sent to the property owner.

If the insurer desires additional authorization or information to release the information to the City, or has any other concerns, the insurer can work directly with its insured to obtain the authorization or any additional information it requires.

4. Individual circumstances may arise where policyholders have moved with no forwarding contact information. Insurers are encouraged to contact Darci Klick at the City's Finance Department to resolve those issues and concerns. [Email](#) or call **Darci Klick at 417-624-0820, ext. 244.**



Finance Department
602 S. Main Street
Joplin, Missouri 64801
417-624-0820 Ext. 244
417-624-4620 (Fax)

November 1, 2012

Jane Doe
123 XXX
Joplin, MO 64801

Dear Ms. Doe:

Following the devastating EF-5 tornado that struck our community on May 22, 2011, you signed a right-of-entry (ROE) form with the City of Joplin that allowed FEMA's (Federal Emergency Management Agency) government-funded contractor, the United States Corps of Engineers, to clean the loose, tornado debris from the following property(ies):

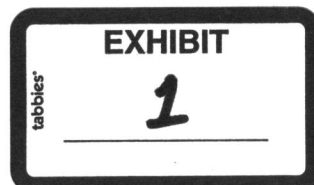
XXXXXX **Rescinded and Inoperative**

Our records indicate that this work was completed and the Corps of Engineers removed the storm-generated debris from this property(ies).

The ROE form specified that the property owner can't receive insurance coverage to pay for the removal of storm-generated debris, as well as have the property cleaned by the federal government, as this was noted as a "duplication of benefits".

The City recently requested a copy of your insurance policy. Unfortunately, it is not possible to determine if there has been a duplication of benefits from the information that was originally requested by us. Therefore, after consultation with the Missouri Department of Insurance and the insurance providers, it has been determined that the most accurate information can be provided directly by your insurance company. **However, in order for your insurance company to give the benefit information to the City, you must sign the enclosed release authorization form and return it to XXXX by XXXX. By signing the release authorization, you will help ensure that you only receive a bill if a duplication of benefits has occurred.**

The information provided by your insurance carrier will help determine if a duplication of benefits occurred for the removal of the loose, tornado debris from your property by the government-funded contractor. There will only be a fee assessed if you received insurance proceeds for the loose, debris cleanup and did not use those proceeds for the cleanup effort.



For example, if your insurance policy provided \$5,000 for the cleanup of **both** debris and demolition, and the Corps of Engineers cleaned the loose debris from your affected property, and you paid a contractor \$5,000 for demolition of your structure, there is no duplication of benefits. Therefore, a fee will NOT be assessed for this service. It must be documented that **either** there was no duplication of benefits **or** the fee assessed according to your lot size is collected if a duplication of benefits occurred.

You may recall during the time of signing the Right of Entry form, the City had established a three-tier cost structure based on the size of the lot, when discussing the possibility of a duplication of benefits.

If it is determined that a duplication of benefits has occurred, a bill for your lot size based on this three-tier cost structure will be generated. The proceeds from any duplication of benefits are required to be returned to FEMA. If there has been a duplication of benefits, your fee for this service will be XXXX, based on your lot size.

According to federal regulations, if you do not sign the authorization form and return it by XXXX, it will be determined that a duplication of benefits **did occur** and a bill will be generated for the debris cleanup at this property.

After the review of your information, you will receive written notification stating that **either** there was no duplication of benefits and no charge will be assessed **or** you will receive a bill for the duplication of benefits. However, this will be a lengthy process and may take several months.

Rescinded and Inoperative

We do appreciate your assistance in this effort. We also understand that the disaster clean-up process has been trying to all affected, for a variety of reasons. If you should have any questions about this final step in the process, please call the City at (417) 624-0820 ext. 244.

Sincerely,
City of Joplin
Finance Department



Finance Department
602 S. Main Street
Joplin, Missouri 64801
(417) 624-0820 Ext. 251
(417) 624-4620 (Fax)

RELEASE OF POLICY AND CLAIM INFORMATION RELATED TO RIGHT-OF- ENTRY AUTHORIZATION

The undersigned acknowledges that a claim has been presented to _____ (insurance company) under Policy Number _____ (if known) for damages resulting from a loss which occurred on May 22, 2011. The loss and resulting damage occurred to property located at _____ (address of insured property).

The City of Joplin requests the insurance carrier provide policy and claim information for the policy issued to the person named above, covering the above described property covering the May 22, 2011 event. Specifically, the City of Joplin requests policy and claim information relating to the coverage of debris removal services under the policy issued to the person named above. The insured signed a right-of-entry and was provided private property cleanup services by the Federal Government. The right-of-entry requires certain insurance information be provided to ensure there is no duplication of benefits provided.

The City of Joplin is not requesting the release of any other policy or claim information and no other policy or claim information will be provided to the City of Joplin.

Information regarding debris removal coverage will not be released without permission of at least one of the named insureds on this policy. Please indicate your approval or refusal of the release of this information relating to debris removal and demolition coverage to the City of Joplin by signing and dating this form in the space provided below.

_____ I hereby authorize the release of this information as set forth above for debris removal coverage related to the May 22, 2011 disaster event.

_____ I hereby decline the authorization of the release of this information as set forth above for debris removal coverage related to the May 22, 2011 disaster event.

SIGNED: _____

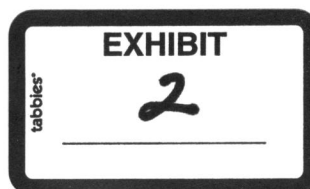
SIGNED: _____

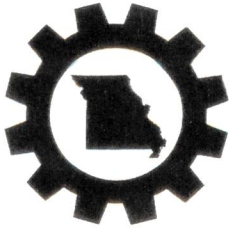
PRINTED NAME: _____

PRINTED NAME: _____

DATE: _____

DATE: _____





**DEPARTMENT OF
LABOR**
& INDUSTRIAL RELATIONS

421 East Dunklin Street, P.O. Box 504
Jefferson City, MO 65102-0504
Phone: 573-751-4091
Fax: 573-751-4135
www.labor.mo.gov
E-mail: diroffice@labor.mo.gov

JEREMIAH W. (JAY) NIXON
GOVERNOR

LAWRENCE G. REBMAN
DEPARTMENT DIRECTOR

MEMORANDUM

TO: All Workers' Compensation Insurance Companies, Self-Insured Employers,
Group Trusts and Third-Party Administrators

FROM: Lawrence G. Rebman, Director 
Missouri Department of Labor and Industrial Relations

John M. Huff, Director 
Missouri Department of Insurance, Financial Institutions and
Professional Registration

DATE: October 29, 2012

SUBJECT: Workers' Compensation Administrative Tax, Administrative Surcharge and
Second Injury Fund Surcharge for the 2013 Calendar Year

As required by Sections 287.690, 287.716 and 287.715 RSMo, the State of Missouri shall impose a workers' compensation administrative tax, administrative surcharge and Second Injury Fund surcharge. For calendar year 2013, the administrative tax will be **1.0 percent**, the administrative surcharge will be **1.0 percent** and the Second Injury surcharge will be **3.0 percent**.

Section 287.690 RSMo authorizes the imposition of an administrative tax not to exceed two percent. Section 287.716 RSMo authorizes the imposition of an administrative surcharge at the same rate as the administrative tax. The revenue from the administrative tax and the administrative surcharge is used to fund expenses associated with the administration of the Missouri Workers' Compensation law.

The revenue generated by the Second Injury Fund surcharge is used to pay benefit and expense liabilities of the fund. Pursuant to section 287.715 RSMo, the Second Injury Fund surcharge shall not exceed three percent.

Additional information about the functions and services of the Division of Workers' Compensation and the Second Injury Fund may be found at www.labor.mo.gov/DWC/.

The Department of Labor and Industrial Relations and the Department of Insurance, Financial Institutions and Professional Registration look forward to working with you in 2013. If you have questions or need additional information, contact the Division of Workers' Compensation at 800-775-2667 or the Department of Insurance, Financial Institutions and Professional Registration at 800-394-0964.